

ORIGINAL

WW Grainger, Inc
100 Grainger Parkway
Lake Forest, IL 60045-5201
Phone: 847-535-1000
Fax: 847-535-8233
www.grainger.com

GRAINGER®
Global Sourcing

Behind every great business.

PS-03

August 5, 2003

Federal Maritime Commission
800 North Capitol Street
Washington DC 20573
Attn: Hon. Steven R. Blust, Chairman

Re: UPS Application for Exemption

Dear Chairman Blust:

Grainger Global Sourcing supports the petition of UPS for an exemption under Section 16 of the Shipping Act of 1984 for the purpose of offering service contracts to its shippers

Grainger Global Sourcing is engaged in importation of facility maintenance products. In our business we ship approximately 1,500 TEU's of freight annually in international ocean commerce. Our freight consists mainly of material handling equipment and tools in full containers. Our shipments principally originate in China. Our most prominent destination is Kansas City, Missouri.

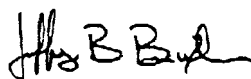
Our principal customers are industrial distributors. To remain competitive in our industry, in addition to advantageous pricing, we offer our customers integrated logistics services including just-in-time deliveries, inventory management, parcel tracking, inventory finance, and reverse logistics.

We have been a UPS shipper for approximately 25 years. The UPS service features that are most valuable to our business include small package delivery, freight forwarding, freight brokerage and consolidation services.

It would be beneficial to us if UPS were able to offer service contracts, with confidential time-volume rates and enhanced service features customized to our particular needs. While UPS's existing service is often presents the best transportation solution, the ability to negotiate confidential rates for the ocean portion of our freight movements, coupled with UPS's end-to-end air or surface services in the USA, would enable us to get the most value for our shipping expenditures and enhance the specialized value-added features we could offer to our customers. This would allow us more flexibility in selecting suppliers and enable us to provide a more competitive product. This is very important to us in light of intense price and service pressure we face from our foreign competitors.

Accordingly, we support the UPS petition, and we request the Commission to grant it

Sincerely yours:



Name Jeffrey B. Buxton
Title: Operations Manager

RECEIVED
03 OCT -9 PM 3:55
FEDERAL MARITIME COMMISSION

001020/030
10
20
30
40
022